

Matching contributions for agricultural diversification grants  
(SB 1232 by Edwards/Harrison)

DIGEST: SB 1232 would have allowed recipients of agricultural diversification grants to match the grants with money, land, buildings, dedicated loan pools, business assistance or any in-kind contribution. SB 1232 also would have increased the linked-deposit loan program from \$5 million to \$25 million, raised the maximum amount of a loan from \$250,000 to \$400,000, and allowed linked-deposit loans to be used for any purpose the agriculture commissioner decided would have promoted diversification of agriculture in Texas.

GOVERNOR'S  
REASON  
FOR VETO:

This bill would allow a grant recipient under the agricultural grant program administered by the Texas Department of Agriculture to meet matching requirements through in-kind contributions approved by the commissioner of agriculture and the Agricultural Diversification Board. This kind of provision does not adequately safeguard against avoidance of matching requirements and is subject to abuse.

RESPONSE:

Sen. Chet Edwards, the author of SB 1232, said: "I would imagine that Gov. Clements might have vetoed this bill because he thought it might put more power in the hands of the agriculture commissioner. The fact is that most of the decisions would be made by a board appointed by him and not the agriculture commissioner. This bill would be an important step in the direction of revitalizing our agriculture economy."

NOTES:

The House Research Organization analysis of SB 1232 appeared in Part Two of the May 24, 1989 Daily Floor Report.